

Sample

Mark-to-Market

Form 10.4(a)

Notification to Owner of Market Rent Determination; Transmittal of Section 8 HAP Contract

From: PAE

To: Owner

Transmission: Overnight Hard Copy

(date)

Project Name: _____

FHA Number: _____

Section 8 HAP Contract Number: _____

REMS ID Number: _____

Dear Owner:

Approved Market Rents

1BR \$ _____

2BR \$ _____

3BR \$ _____

4BR \$ _____

[Insert other unit sizes if necessary]

Based upon your request under Housing Notice H 99-36 for processing of the subject transaction as a Lite (rent restructuring without debt restructuring), OMHAR has approved the market rents provided above.

WITH THIS NOTIFICATION, YOUR CURRENT SECTION 8 HAP CONTRACT EXPIRES AT THE END OF THE NEXT FULL MONTH (i.e., [Insert the date of the last day of the next full month] - this is the rent expiration date).

You must execute and send the attached contract to the HUD Project Manager for receipt **on or before [insert the due date of 10 business days after the date of this letter]**, in order to continue receiving Section 8 rent subsidies. You also are required to submit to the HUD Project Manager a new rent schedule reflecting the approved rents and gross rent change certifications for tenants in the project. The effective date of the certifications is **[Insert the date of the last day of the next full month]**. Gross rent change certifications do NOT require recertification of tenant income or expenses and do not affect annual recertification schedules. Contact your HUD Project Manager for further information.

The execution of this contract will not interfere with your ability to appeal, or the timing of the review of your appeal, under the procedures noted below. HUD's execution of the contract is conditioned upon the availability of funds.

Please also provide a copy of the executed contract to us for tracking purposes.

If the enclosed Section 8 HAP Contract is not executed and received by the date listed above, HUD will be unable to honor your requisitions and will have no choice but to assume that you intend to opt out of the Program. In order to begin procedures to provide Section 8 tenant-based assistance to the tenants of this property, you will be given a short-term renewal at market rents in order to comply with the one-year Notice requirements to tenants or to provide sufficient time to process tenant-based vouchers. If your decision is to opt out, we strongly urge you to contact your HUD Project Manager immediately to avoid contract expiration as of the rent expiration date listed above.

The HUD Project Manager's address is:

Administrator

Address

Address

APPEAL PROCESS: You have 20 business days from the date of this notification to submit your appeal with clear and convincing supporting documentation to:

OMHAR Regional Office Director

Address

Address

Your appeal should specifically address all points of disagreement (e.g., comparables, adjustments, etc.) with the market rent conclusions listed above. The OMHAR Regional Office will review your appeal and respond within 10 business days. If the market rent determination is altered as a result, a new, revised Section 8 HAP Contract will be sent to you for execution. However, please note that delay in executing the **enclosed** Section 8 HAP Contract, may result in a period of time when the project is not covered by a Section 8 HAP Contract and during which no Section 8 subsidies will be provided. **Execution of this contract will not impact your appeal.**

If you have any questions about this transaction, or wish to receive the materials on which the above market rent determination is based, please do not hesitate to contact [insert PAE contact name] at [insert phone]. Upon request, the Physical Conditions Assessment, the Market Study/Limited Scope Appraisal, the draft income and expense spreadsheet, and our explanation for the selection of market rents can be provided to you by overnight mail.

Sincerely,

PAE

cc: HUD Project Manager
Section 8 Contract Administrator
OMHAR Regional Office

Enclosed: Section 8 HAP Contract (5 copies)